

What a Ride – Implementing a Shared Services Organization

The National Aeronautics and Space Administration (NASA) is an Executive Branch Agency with more than 17,000 civil servant employees working at ten field Centers and Headquarters. NASA is focused on the Vision for Space Exploration, the Agency's long-term plan to return astronauts to the moon and extend exploration to Mars and beyond. For the Agency to achieve the Vision and other missions, it was necessary to identify a means to cut costs and direct more funds to its pursuits. One answer was implementing a shared services center ... dutifully named the NASA Shared Services Center (NSSC).

In addition to cost benefits, NASA is constantly looking for ways to improve operations and provide the highest level of service for Agency employees. The decision to move to a shared services model was based on the opportunities to achieve efficiency across functions, help promote strategic management of NASA resources, and position the Agency to capitalize on further innovations.

I am often asked "what is the NSSC?" The NSSC is a public/private partnership between NASA and the Agency's service provider Computer Sciences Corporation (CSC). In the purest sense of Shared Services Models, the NSSC provides service across the NASA Agency in four functional areas, including Agency IT services and selected activities in Financial Management, Human Resources, and Procurement.

On March 1, 2006, the NSSC opened its doors for business. It was a journey fraught with challenges, roadblocks, protests, and a hurricane. Throughout the journey, the Agency, NSSC employees, and customers remained staunch advocates of the shared services

concept. I would like to take you on that journey and outline the past, present, and future of the NSSC.

One Giant Leap: the NSSC's History

The journey to a Shared Services Model was a challenging, exhilarating, and often trying endeavor. In order to transform the NSSC concept into a NASA reality, NASA formed a Study Team in November 2001 to investigate the feasibility of shared services for the Agency. Two years of study culminated in a recommendation to consolidate a variety of transactional and administrative activities performed at each NASA Center. The impetus for the team's report stemmed partially from the President's Management Agenda. The shared services effort also fit within the Administrator's focus on performance improvement and spending less on institutional activities so funds could be allocated to mission-critical projects. Upon completion of the study in August 2002, the Agency appointed an Implementation Team with a clear mission to develop the structure, scope, dynamics, and details of the NSSC. In 2003, the NASA Enterprise Council endorsed the consolidation of selected functional activities in Financial Management, Human Resources, Information Technology, and Procurement reported on by the study team. They also recommended that the NSSC be located on a single site versus using regional servicing centers, again, adopting the shared services model and concept. Before the close of 2003, the site nomination guidelines and criteria were released and the public announcement was made that NASA would be holding a Public-Private competition. The process was guided by the U.S. Federal Government's Office of Management and Budget (OMB) Circular A-76. An A-76 competition pits private sector proposals against a government team proposal for the right to perform the work outlined in the Request For

Proposal (RFP).

In 2004, the NSSC was officially established. The Agency issued a call for site proposal submissions and six NASA Centers responded to the call. All six submissions exceeded the Agency's expectations and the decision was made to allow potential offerors an opportunity to choose from one of the six sites as the future home of the NSSC.

The Implementation Team worked diligently to complete the draft Performance Work Statement (PWS) for the NSSC and released the first draft on March 26, 2004.

Following completion and release of the PWS, NASA Procurement representatives and select members of the Implementation Team drafted and released the RFP for comments to industry. Given the broad scope of the activities slated for the NSSC and the uniqueness of the overall public/private competition, there was an intense amount of interest from the private sector. To facilitate the RFP process, the NSSC Implementation Team, Agency Procurement representatives, NASA Executives, and over a hundred representatives from industry met in Washington DC to have open discussions regarding the draft RFP and PWS. This activity briefing was designed to bring potential offerors (both prime and subcontractors) together so the Agency could explain how the overall competition would be administered and to answer industry questions.

The final RFP was released September 13, 2004. On November 8, 2004, four offerors submitted proposals. It was a memorable event viewing multiple boxes being delivered to the NSSC Source Evaluation Board (SEB). Only those who responded to the RFP or

reviewed the offerors proposals can fully appreciate the amount of effort poured into completing such an important and challenging task. Throughout the next several months, the NSSC SEB poured over the Contract, Mission Suitability, and Cost Volumes, interpreted technical approaches, translated staffing solutions, and wrangled with numbers and spreadsheets.

December 2005 found the NSSC once again facing a difficult challenge when the current NASA Administrator, a champion of the shared services concept, announced his resignation. Despite some uncertainty about the NSSC's future, the Team continued to push forward with the SEB process and received support and encouragement from Agency senior management.

In spring 2005, the NSSC SEB submitted its findings to NASA's eleventh administrator, Mike Griffin, and awaited his approval to award the contract. Highlighted in the NSSC's findings were a number of cost benefits for the Agency, including an eventual savings of \$26 million dollars by 2009 with a payback period of 2.8 years whereby the initial start-up investment would be returned to the Agency. Mr. Griffin approved these findings on May 17, 2005 and NASA awarded the NSSC contract to CSC.

Immediately following the contract announcement, NASA received two protests to the award. Naturally, the major concern was the survival of the NSSC, but equally important was the impact the protests would have on employees who had prepared so diligently for the transition of the NSSC and operational readiness on October 1, 2005. Luckily, by

August 2005, both protests were resolved and the NSSC once again began preparing for its journey toward a successful shared services operation.

The culmination of a four-year long endeavor to consolidate administrative support services for America's space agency was finally coming to fruition. And then, Hurricane Katrina struck. NSSC and CSC employees were scheduled to begin reporting to Stennis Space Center (SSC) on August 29, 2005; that very day, however, Katrina made her terrible landfall. Following the devastation and destruction along the Gulf Coast, the NSSC faced its most difficult challenge to date: How was it to survive? The decision was made to return to Washington DC, continue working activity transition issues, and delay the opening. It was hoped that the area would be able to recover in time and prove stable enough to support the organization. NSSC worked in conjunction with CSC to determine when returning and opening would be possible. It became apparent after several weeks, however, that the devastation to the Gulf Coast Region had drastically impacted the availability of housing and infrastructure and staffing capability. Because of the many challenges, the NSSC readjusted the October 1, 2005, opening date to March 1, 2006. The NSSC Project Team prepared a Recovery Plan and presented it to the NASA Administrator on September 23, 2005. Mr. Griffin issued his go-ahead that evening. It was not a difficult decision to make—the NSSC would return to the Gulf Coast and honor its commitments to the states of Louisiana and Mississippi. It was the right thing to do!

The NSSC and CSC employees once again relocated to SSC on January 3, 2006. It is interesting to look back today on the challenges we faced. I am constantly awed by the combined spirit of the employees of the NSSC, SSC community, and the Agency. The NSSC employees are a model for flexibility, resilience, and dedication. On February 24, 2006, we honored supporters and employees at the NSSC Groundbreaking Ceremony for the permanent facility, slated to be completed in the fall of 2007. Over 600 people celebrated the event, including elected Federal, State, and Local officials and friends from the Stennis Space Center community.

The NSSC successfully opened for business March 1, 2006.

Blast Off: NSSC's bright future

We still have many challenges ahead of us, but we are dedicated and zealous in our pursuit of making NSSC a stunning success. Today, the NSSC's Vision and Mission haven't evolved considerably from the original idea expressed by the Implementation Team in 2002; it was as good an idea then as it is now: still relevant and achievable. Our business is customer and demand driven and to be successful we must provide the best possible service at the lowest possible cost. The NSSC's Vision to provide "Unparalleled Service" and our Mission to "provide timely, accurate, high-quality, cost-effective, and customer-focused support for selected NASA business and technical services" must be realized for NSSC to be considered essential to the Agency's Vision.

To that end, we have constructed a strong governance model that enhances leadership and facilitates decision making. NSSC conducts readiness reviews prior to the

transition of any activity to NSSC. This provides a forum and opportunity for our customers to participate in “go-live” decisions. In the spirit of “customer focused”, we have prepared and know the value of a strong communication and change management strategy. We have also engaged NSSC stakeholders as partners in the journey by creating transition representatives in each functional area at each Center and change integration members, also located at each Center.

I am confident we will achieve the cost savings so important to NASA. All of us associated with NSSC are aware of the significant impact we have on the space program. For four years NSSC was little more than a concept that a few tenacious employees continued to support and trumpet. Today, we have continued to recruit remarkable individuals to the NSSC team. We have faced both triumph and tragedy together as NSSC. We convinced two NASA Administrators of the value of NSSC, both of whom had different agendas, goals, and visions for the Agency. We persevered through two daunting and voluminous protests. And, we faced this nation’s worst natural disaster. Through it all, I have been humbled and honored to be a part of NSSC. NSSC employees continue to amaze and astound me. After the Hurricane, many employees immediately returned to DC and began working tirelessly on the recovery plan despite the NSSC’s uncertain future and stability in their personal lives. Many employees also stayed behind and volunteered at SSC, manning call centers, shelters, and day camps, passing out supplies, and providing comfort to each other. On January 3, 2006, we honored the Agency’s commitment to Louisiana and Mississippi, reorganized in the Gulf Coast area, and on March 1, 2006, went operational. We still have a long journey before us, but

looking back on what we've accomplished and overcome, I can't help but confidently
predict the future of the NSSC – Success!